

Fact Sheet

January 2003

Environmental Quality Incentives Program

Overview

The Environmental Quality Incentives Program (EQIP) is a voluntary conservation program that promotes agricultural production and environmental quality as compatible National goals. Through EQIP, farmers and ranchers may receive financial and technical help to install or implement structural and management conservation practices on eligible agricultural land.

EQIP was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill). The Natural Resources Conservation Service (NRCS) administers EQIP. Funding for EQIP comes from the Commodity Credit Corporation.

A summary of the proposed rule is available at http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/EQIP_rule_sum_030130.pdf

How EQIP Works

EQIP activities are carried out according to an EQIP plan of operations developed in conjunction with the producer. Contracts that include an animal waste storage system require the development and implementation of a Comprehensive Nutrient Management Plan (CNMP). Practices are subject to NRCS technical standards adapted for local conditions. Farmers and ranchers may elect to use an approved third-party provider for technical assistance.

EQIP applications are accepted throughout the year. NRCS evaluates each application using a state and locally developed ranking process. Higher priorities are given to applications that

encourage the use of cost-effective conservation practices, address National conservation priorities, and optimize environmental benefits.

State Technical Committees, Tribal representatives, and local working groups convened by the conservation district advise NRCS on implementation of the program to address identified resource needs and concerns.

EQIP may provide cost share assistance for implementing certain conservation practices important to improving and maintaining the health of natural resources in the area. Incentive payments may be made to encourage a producer to adopt land management practices, such as nutrient management, manure management, integrated pest management, irrigation water management, and wildlife habitat management, or to develop a CNMP. Although cost-share rates will vary, they will not exceed 75 percent. Cost share rates for limited resource producers and beginning farmers and ranchers will also vary, but will not exceed 90 percent.

EQIP offers contracts with a minimum term of one year after implementation of the last scheduled practice and a maximum term of ten years. These contracts provide incentive payments and cost share payments for implementing conservation practices.

Total cost-share and incentive payments are limited to \$450,000 per individual over the period of the 2002 Farm Bill, regardless of the number of farms or contracts.

Conservation Innovation Grants

EQIP provides opportunities for Conservation Innovation Grants, which are competitive grant awards to stimulate innovative approaches to environmental enhancement and protection, in conjunction with agricultural production.

The Secretary of Agriculture is authorized to use EQIP funds each fiscal year from 2003 to 2007 to award grants to government or non-government organizations or individuals that leverage Federal funds to implement innovative approaches to conservation. Grant amounts may not exceed 50 percent of the total cost of each project.

Conservation Innovation Grants provide the opportunity for the U.S. Department of Agriculture (USDA) to work with other public and private entities to accelerate technology transfer and implementation of promising technologies to address the Nation's most pressing agricultural related natural resource problems. Agricultural producers, particularly those facing the most difficult challenges, will benefit by having more options for enhancing the environment and meeting Federal, State, and local regulations.

Ground and Surface Water Conservation

EQIP provides for additional funding specifically to promote ground and surface water conservation activities to improve irrigation systems; convert to the production of less water intensive agricultural commodities; improve water storage through measures such as water banking and groundwater recharge; or institute other measures that improve groundwater and surface water conservation, as determined by the Secretary.

Assistance to a producer may be provided only to facilitate a conservation measure that results in a net savings in groundwater or surface water resources in the agricultural operation of the producer. This provision is funded for fiscal years 2002 through 2007.

Eligibility

Producers engaged in livestock or crop production on eligible land may apply for the program. Eligible land includes cropland; rangeland; pasture; private non-industrial forestland; and other farm or ranch lands, as determined by the Secretary.

The Adjusted Gross Income provision of the 2002 Farm Bill impacts eligibility for EQIP and several other 2002 Farm Bill programs. Individuals or entities that have an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations. The final rule for this provision has not yet been published.

For More Information

If you need more information about EQIP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/farmbill/2002/>



Visit USDA on the Web at:
<http://www.usda.gov/farmbill>

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